

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7899

BILL NUMBER: HB 1691

DATE PREPARED: Jan 8, 2001

BILL AMENDED:

SUBJECT: Full day kindergarten and school readiness.

FISCAL ANALYST: Chuck Mayfield

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes a grant program for full day kindergarten and school readiness programs beginning in the 2002-2003 school year. It requires school corporations to develop and submit a plan to the Department of Education and Indiana State Board of Education for approval before receiving a grant. The bill provides a grant of \$1,500 per grade 1 student who is eligible for free or reduced lunch and \$205 per other grade 1 student to school corporations for the programs. It appropriates \$62 per grade 1 student to schools to cover costs in developing a school readiness plan.

Effective Date: Upon passage; July 1, 2001; July 1, 2002.

Explanation of State Expenditures: The impact depends on the number and size of schools that chose to provide a full-day kindergarten and/or a school readiness program. The bill provides a planning grant of \$62 per first grade student during December 2001. For the 2000 school year there was 80,145 first grade students. If all schools received the grant then the impact would be about \$5M for FY 2001-02.

The bill also established a grant of \$1,500 per grade 1 student who is eligible for free or reduced lunch and \$205 per other grade 1 student to school corporations for the programs for the school year 2002-03. A school must have an approved plan to receive the grant. Assuming all school implemented the program and if the percentage of first grade students receiving free or reduced lunch is the same as the school corporation percentage as a whole then about 23,700 first grade students would qualify for the \$1,500 grant and about 56,445 students would qualify for the \$205 grant. The maximum impact would be about \$47.1M per year starting with the FY2002-03 fiscal year.

The bill appropriates sufficient General Fund money to fund the planning grant for FY2001-02 but does not contain funding for the implementation grant for FY 2002-03.

The Department of Education may have an increase in expenditures in reviewing the plan depending on the

number that are submitted.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: See Explanation of State Expenditures

State Agencies Affected: Department of Education

Local Agencies Affected: Local School Corporations

Information Sources: Department of Education databases